

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

Case No. 09-50026

In the Matter of:

GENERAL MOTORS CORPORATION, et al.,

Debtors.

United States Bankruptcy Court
One Bowling Green
New York New York

July 2, 2009

9:02 AM

B E F O R E:

HON. ROBERT E. GERBER
U.S. BANKRUPTCY JUDGE

2

1

2 HEARING re Motion of the Debtors for Entry of Order Pursuant to
3 11 U.S.C. § 363(b) Authorizing and Approving Settlement
4 Agreements with Certain Unions

5

6 HEARING re Debtors' Motion Pursuant to Bankruptcy Code §§
7 105(a), 361, 362, 363, 364 and 507 and Bankruptcy Rules 2002,
8 4001 and 6004 to Amend DIP Credit Facility

9

10 HEARING re Continuation of GM 363 Sale Hearing

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Transcribed by: Lisa Bar-Leib

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

1

2 A P P E A R A N C E S :

3 WEIL, GOTSHAL & MANGES LLP

4 Attorneys for Debtor General Motors Corporation

5 767 Fifth Avenue

6 New York, NY 10153

7

8 BY: HARVEY R. MILLER, ESQ.

9 STEPHEN KAROTKIN, ESQ.

10 JOSEPH H. SMOLINSKY, ESQ.

11 JOHN A. NEUWIRTH, ESQ.

12 IRWIN WARREN, ESQ.

13

14 HONIGMAN MILLER SCHWARTZ & COHN

15 Special Counsel for General Motors Corporation

16 2290 First National Building

17 660 Woodward Avenue

18 Detroit, MI 48226

19

20 BY: ROBERT B. WEISS, ESQ.

21 SETH A. DRUCKER, ESQ. (TELEPHONICALLY)

22

23

24

25

1

2 JENNER & BLOCK LLP

3 Special Counsel for Debtors and Debtors-in-Possession

4 919 Third Avenue

5 37th Floor

6 New York, NY 10022

7

8 BY: PATRICK J. TROSTLE, ESQ.

9

10 JENNER & BLOCK LLP

11 Special Counsel for Debtors and Debtors-in-Possession

12 330 North Wabash Avenue

13 Chicago, IL 60611

14

15 BY: DANIEL R. MURRAY, ESQ.

16

17 KRAMER LEVIN NAFTALIS & FRANKEL LLP

18 Attorneys for Official Committee of Unsecured Creditors

19 1177 Avenue of the Americas

20 New York, NY 10036

21

22 BY: KENNETH ECKSTEIN, ESQ.

23 ADAM ROSOFF, ESQ.

24 THOMAS MOERS MAYER, ESQ.

25 ROBERT T. SCHMIDT, ESQ.

1

2 UNITED STATES DEPARTMENT OF JUSTICE

3 Office of the United States Trustee

4 33 Whitehall Street

5 21st Floor

6 New York, NY 10004

7

8 BY: TRACY HOPE DAVIS, ESQ.

9 BRIAN MASUMOTO, ESQ.

10

11 U.S. DEPARTMENT OF JUSTICE

12 United States Attorney's Office

13 Southern District of New York

14 86 Chambers Street

15 New York, NY 10007

16

17 BY: MATTHEW L. SCHWARTZ, AUSA

18 DAVID S. JONES, AUSA

19

20

21

22

23

24

25

1

2 ARENT FOX LLP

3 Attorneys for The Timken Company, Superior Industries

4 International, Inc., Discovery Communications, LLC,

5 Harman Becker Automotive Systems and its affiliated

6 companies, Toyota Boshoku America, Inc., and JJF

7 Management Services, Inc.

8 1675 Broadway

9 New York, NY 10019

10

11 BY: JAMES M. SULLIVAN, ESQ.

12

13 ATTORNEY GENERAL OF TEXAS

14 Counsel to State of Texas On Behalf of Texas Department of
15 Transportation

16 P.O. Box 12548

17 Austin, TX 78711

18

19 BY: J. CASEY ROY, ASSISTANT ATTORNEY GENERAL

20

21

22

23

24

25

1

2 BINGHAM MCCUTCHEN LLP

3 Attorneys for Wells Fargo Bank, as Indenture Trustee

4 399 Park Avenue

5 New York, NY 10022

6

7 BY: ERIN H. MAUTNER, ESQ.

8

9 CADWALADER, WICKERSHAM & TAFT LLP

10 Attorneys for U.S. Treasury Auto Task Force

11 One World Financial Center

12 New York, NY 10281

13

14 BY: JOHN RAPISARDI, ESQ.

15

16 CADWALADER, WICKERSHAM & TAFT LLP

17 Attorneys for U.S. Treasury Auto Task Force

18 1201 F Street, N.W.

19 Washington, DC 20004

20

21 BY: PETER M. FRIEDMAN, ESQ.

22 JILL KAYLOR, ESQ. (TELEPHONICALLY)

23

24

25

1

2 CAPLIN & DRYSDALE, CHARTERED

3 Attorneys for Mark Buttita

4 375 Park Avenue

5 35th Floor

6 New York, NY 10152

7

8 BY: RITA C. TOBIN, ESQ.

9

10 CAPLIN & DRYSDALE, CHARTERED

11 Attorneys for Mark Buttita

12 One Thomas Circle N.W.

13 Suite 1100

14 Washington, DC 20005

15

16 BY: RONALD E. REINSEL, ESQ.

17

18

19

20

21

22

23

24

25

1

2 CLEARY GOTTLIEB STEEN & HAMILTON LLP

3 Attorneys for The International Union, United Automobile

4 Aerospace and Agricultural Implement Workers of America,

5 AFL-CIO

6 One Liberty Plaza

7 New York, NY 10006

8

9 BY: AVRAM E. LUFT, ESQ.

10 JAMES BROMLEY, ESQ.

11

12 CLIFFORD CHANCE US LLP

13 Attorneys for ABN AMRO BANK N.V., RBS Citizens N.A., Royal

14 Bank of Scotland plc

15 31 West 52nd Street

16 New York, NY 10019

17

18 BY: ANDREW BROZMAN, ESQ.

19

20 COHEN, WEISS AND SIMON LLP

21 Attorneys for United Auto Workers

22 330 West 42nd Street

23 New York, NY 10036

24

25 BY: BABETTE CECCOTTI, ESQ.

10

1

2 THE COLEMAN LAW FIRM

3 Attorneys for Product Liability Claimants: Callan
4 Campbell, Kevin Junso, et al.; Edwin Agosto, Kevin
5 Chadwick, et al., and Joseph Berlingieri

6 77 West Wacker Drive

7 Suite 4800

8 Chicago, IL 60601

9

10 BY: STEVE JAKUBOWSKI, ESQ.

11

12 CONNOLLY BOVE LODGE & HUTZ LLP

13 Attorneys for Connecticut General

14 The Nemours Building

15 1007 North Orange Street

16 Wilmington, DE 19899

17

18 BY: JEFFREY C. WISLER, ESQ.

19

20

21

22

23

24

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

11

1

2 COVINGTON & BURLING LLP

3 Attorneys for Union Pacific Railroad Company

4 The New York Times Building

5 620 Eighth Avenue

6 New York, NY 10018

7

8 BY: MARTIN E. BEELER, ESQ.

9

10 DLA PIPER US LLP

11 Attorneys for Hewlett-Packard Company and all of its
12 Affiliates, Domestic and International, Including but not
13 Limited to Electronic Data Systems Corporation, and HP
14 Company and Hewlett-Packard Financial Services Company

15 550 South Hope Street

16 Suite 2300

17 Los Angeles, CA 90071

18

19 BY: KAROL K. DENNISTON, ESQ.

20

21

22

23

24

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

12

1

2 DICKINSON WRIGHT PLLC

3 Attorneys for Multimatic Inc.

4 301 East Liberty

5 Suite 500

6 Ann Arbor, MI 48104

7

8 BY: TRENT B. COLLIER, ESQ.

9

10 DRINKER BIDDLE & REATH LLP

11 Attorneys for Cross-Complainant/Defendant, Manufacturers

12 and Trust Company and Wells Fargo Bank Northwest

13 1500 K Street, N.W.

14 Washington, DC 20005

15

16 BY: STEPHANIE WICKOUSKI, ESQ.

17

18 FORMAN HOLT ELIADES & RAVIN LLC

19 Attorneys for Rose Cole, Guardian of Timothy L. Montis, a

20 Disabled Adult

21 80 Route 4 East

22 Paramus, NJ 07652

23

24 BY: KIMBERLY J. SALOMON, ESQ.

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

13

1

2 GIBSON, DUNN & CRUTCHER LLP

3 Attorneys for Wilmington Trust Co., as Indenture Trustee

4 200 Park Avenue

5 New York, NY 10166

6

7 BY: MATTHEW J. WILLIAMS, ESQ.

8 DAVID M. FELDMAN, ESQ.

9

10 GORLICK, KRAVITZ & LISTHAUS, P.C.

11 Attorneys for International Union of Operating Engineers

12 Local 18S, 101S and 832S, United Steelworkers, IUE- CWA

13 17 State Street

14 4th Floor

15 New York, NY 10004

16

17 BY: BARBARA S. MEHLSACK, ESQ.

18

19 HISCOCK & BARCLAYS

20 Attorneys for The Schaeffer Group

21 One Park Place

22 300 South State Street

23 Syracuse, NY 13202

24

25 BY: SUSAN R. KATZOFF, ESQ.

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

14

1

2 KELLEY DRYE & WARREN LLP

3 Attorneys for Law Debenture Trust Company of New York, as

4 Successor Indenture Trustee

5 101 Park Avenue

6 New York, NY 10178

7

8 BY: JENNIFER A. CHRISTIAN, ESQ.

9 ROBERT L. LEHANE, ESQ.

10

11 KENNEDY JENNIK AND MURRAY, PC

12 Attorneys for IUE-CWA

13 113 University Place

14 Floor 7

15 New York, NY 10003

16

17 BY: THOMAS M. KENNEDY, ESQ.

18 JOHN HOFFMAN, ESQ.

19

20 KIRKLAND & ELLIS LLP

21 Citigroup Center

22 153 East 53rd Street

23 New York, NY 10022

24

25 BY: MARC A. LEWINSTEIN, ESQ.

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

15

1

2 KLEHR, HARRISON, HARVEY, BRANZBURG & ELLERS LLP

3 Attorneys for Manufactures Traders & Trust

4 260 South Broad Street

5 Philadelphia, PA 19102

6

7 BY: BRIAN CROWLEY, ESQ.

8

9 LATHAM & WATKINS LLP

10 Attorneys for GE Capital Corp.

11 Sears Tower

12 Suite 5800

13 233 South Wacker Drive

14 Chicago, IL 60606

15

16 BY: DOUGLAS BACON, ESQ.

17

18 LAW OFFICES OF OLIVER ADDISON PARKER

19 Attorney Pro Se

20 4900 North Ocean Blvd.

21 Suite 421

22 Lauderdale By the Sea, FL 33308

23

24 BY: OLIVER A. PARKER, ESQ.

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

1

2 MEYER, SUOZZI, ENGLISH & KLEIN, P.C.

3 Attorneys for Henry Case Class Plaintiffs

4 1350 Broadway

5 Suite 501

6 New York, NY 10018

7

8 BY: EDWARD J. LOBELLO, ESQ.

9 HANAN KOLKO, ESQ.

10

11 N.W. BERNSTEIN & ASSOCIATES, LLC

12 Attorneys for Environmental Conservation and Chemical

13 Corporation Site Trust Fund

14 800 Westchester Avenue

15 Suite N319

16 Rye Brook, NY 10573

17

18 BY: NORMAN W. BERNSTEIN, ESQ.

19

20 NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

21 2030 M Street, NW

22 8th Floor

23 Washington, DC 20036

24

25 BY: KAREN CORDRY, ESQ.

1

2 PUBLIC CITIZEN LITIGATION GROUP

3 Attorneys for Product Liability Claimants: Center for
4 Auto Safety, Consumer Action, Consumers for Auto
5 Reliability and Safety, National Association of Consumer
6 Advocates, and Public Citizen

7 1600 20th Street NW

8 Washington, DC 20009

9

10 BY: ADINA H. ROSENBAUM, ESQ.

11 ALLISON M. ZIEVE, ESQ.

12

13 ORRICK, HERRINGTON & SUTCLIFFE LLP

14 Attorneys for GM Unofficial Dealer Committee

15 Columbia Center

16 1152 15th Street, NW

17 Washington, DC 20005

18

19 BY: RICHARD H. WYRON, ESQ.

20 ROGER FRANKEL, ESQ.

21

22

23

24

25

1

2 ORRICK, HERRINGTON & SUTCLIFFE LLP

3 Attorneys for Finmeccenica S.p.A. and Ansaldo Ricercke

4 S.p.A.; Ad Hoc Dealer Committee

5 666 Fifth Avenue

6 New York, NY 10103

7

8 BY: ROBERT M. ISACKSON, ESQ.

9 ALYSSA D. ENGLUND, ESQ.

10

11 PATTON BOGGS LLP

12 Attorneys for Unofficial Committee of Family Bondholders

13 1185 Avenue of the Americas

14 30th Floor

15 New York, NY 10036

16

17 BY: MICHAEL P. RICHMAN, ESQ.

18

19 PATTON BOGGS LLP

20 Attorneys for Unofficial Committee of Family Bondholders

21 2550 M Street, NW

22 Washington, DC 20037

23

24 BY: MARK A. SALZBERG, ESQ.

25

19

1

2 PATTON BOGGS LLP

3 Attorneys for Unofficial Committee of Family Bondholders

4 2001 Ross Avenue

5 Suite 3000

6 Dallas, TX 75201

7

8 BY: JAMES CHADWICK, ESQ.

9 (TELEPHONICALLY)

10

11 PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

12 Attorneys for Ad Hoc Bondholders Group

13 1285 Avenue of the Americas

14 New York, NY 10019

15

16 BY: ANDREW N. ROSENBERG, ESQ.

17 JONATHAN KOEVARY, ESQ. (TELEPHONICALLY)

18

19 PENSION BENEFIT GUARANTY CORPORATION

20 United States Government Agency

21 1200 K Street NW

22 Washington, DC 20005

23

24 BY: MICHAEL A. MARICCO, ESQ.

25 ANDREA WONG, Assistant Chief Counsel

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

20

1

2 ROBINSON BROG LEINWAND GREENE GENOVESE & GLUCK P.C.

3 Attorneys for Greater New York Automobile Dealers

4 Association

5 1345 Avenue of the Americas

6 New York, NY 10105

7

8 BY: RUSSELL P. MCRORY, ESQ.

9

10 ROBINSON WATERS & O'DORISIO, PC

11 Attorneys for Environmental Testing Corporation

12 1099 18th Street

13 Suite 2600

14 Denver, CO 80202

15

16 BY: ANTHONY L. LEFFERT, ESQ.

17

18 SCHNADER HARRISON SEGAL & LEWIS LLP

19 Attorneys for Ad Hoc Committee Consumer Victims

20 1600 Market Street

21 Suite 3600

22 Philadelphia, PA 19103

23

24 BY: BARRY E. BRESSLER, ESQ.

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

21

1

2 SCHNADER HARRISON SEGAL & LEWIS LLP

3 Attorneys for Ad Hoc Committee Consumer Victims

4 824 North Market Street

5 Suite 1001

6 Wilmington, DE 19801

7

8 BY: RICHARD A. BARKASY, ESQ.

9

10 STATE OF MICHIGAN

11 Office of the State Attorney General

12 G. Mennen Williams Building

13 525 West Ottawa Street

14 6th Floor

15 Lansing, MI 48909

16

17 BY: CELESTE R. GILL, Assistant Attorney General

18

19 STATE OF NEW YORK

20 Office of the Attorney General

21 The Capitol

22 Albany, NY 12224

23

24 BY: MAUREEN F. LEARY, Assistant Attorney General

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

22

1

2 STATE OF NEW YORK

3 Office of the Attorney General

4 120 Broadway

5 New York, NY 10271

6

7 BY: KATHERINE KENNEDY, Special Deputy Attorney General

8

9 STEMBERG FEINSTEIN DOYLE & PAYNE, LLC

10 Attorneys for Class Representatives in Henry Case

11 1007 Mt. Royal Blvd.

12 Pittsburgh, PA 15223

13

14 BY: WILLIAM T. PAYNE, ESQ.

15

16 STUTZMAN, BROMBERG, ESSERMAN & PLIFKA, P.C.

17 Attorneys for Ad Hoc Committee of Unsecured Creditors

18 2323 Bryan Street

19 Suite 2200

20 Dallas, TX 75201

21

22 BY: SANDER L. ESSERMAN, ESQ.)

23

24

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

23

1

2 VEDDER PRICE P.C.

3 Attorneys for Export Development Canada

4 1633 Broadway

5 47th Floor

6 New York, NY 10019

7

8 BY: MICHAEL L. SCHEIN, ESQ.

9

10 WILMER CURLER PICKERING HALE AND DORR LLP

11 Attorneys for Pension Benefit Guaranty Corporation

12 399 Park Avenue

13 New York, NY 10022

14

15 BY: PHILIP D. ANKER, ESQ.

16

17 WINDELS MARK LANE & MITTENDORF, LLP

18 Attorneys for Lloyd Good; Plastic Omanna et al.;

19 Progressive Stamping Company; Morgan Adhesives Co. d/b/a

20 MACTAC; Western Flyer Express

21 156 West 56th Street

22 New York, NY 10019

23

24 BY: LESLIE S. BARR, ESQ.

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

24

1

2 TELEPHONIC APPEARANCES:

3 ALLARD & FISH, P.C.

4 Attorneys for Creditor Severstal North America, Inc.

5 535 Griswold

6 Suite 2600

7 Detroit, MI 48226

8

9 BY: DEBORAH L. FISH, ESQ.

10 (TELEPHONICALLY)

11

12 ARNALL GOLDEN & GREGORY LLP

13 Attorneys for Verizon Communications

14 171 17TH Street NW

15 Suite 1200

16 Atlanta, GA 30363

17

18 BY: DARRYL S. LADDIN, ESQ.

19 FRANK N. WHITE, ESQ.

20 (TELEPHONICALLY)

21

22

23

24

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

25

1

2 ATTORNEY GENERAL'S OFFICE, STATE OF CALIFORNIA

3 Attorneys for State of California

4 California Dept. of Justice

5 P.O. Box 744255

6 Sacramento, CA 94244

7

8 BY: MARGARITA PACFILLA, ESQ.

9 (TELEPHONICALLY)

10

11 ATTORNEY GENERAL'S OFFICE, STATE OF ILLINOIS

12 Attorneys for State of Illinois

13 100 West Randolph Street

14 Chicago, IL 60601

15

16 BY: JAMES NEWBOLD, ESQ.

17 (TELEPHONICALLY)

18

19

20

21

22

23

24

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

26

1

2 ATTORNEY GENERAL'S OFFICE, STATE OF MICHIGAN

3 State of Michigan Department of Treasury

4 G. Mennen Williams Building

5 7th Floor

6 525 West Ottawa Street

7 Lansing, MI 48909

8

9 BY: JULIUS O. CURTING, ESQ.

10 (TELEPHONICALLY)

11

12 ATTORNEY GENERAL'S OFFICE, STATE OF NEW JERSEY

13 Attorneys for State of New Jersey Department of

14 Environmental Protection Agency

15 Richard J. Hughes Justice Complex

16 8th Floor, West Wing

17 25 Market Street

18 Trenton, NJ 08625

19

20 BY: RACHEL LEHR, ESQ.

21 (TELEPHONICALLY)

22

23

24

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

27

1

2 ATTORNEY GENERAL'S OFFICE, STATE OF TENNESSEE

3 Attorneys for Tennessee Department of Revenue

4 Office of the Attorney General

5 P.O. Box 20207

6 Nashville, TN 37202

7

8 BY: MARVIN CLEMENTS, ESQ.

9 (TELEPHONICALLY)

10

11 ATTORNEY GENERAL'S OFFICE, STATE OF TEXAS

12 Attorneys for Texas Department of Transportation Motor

13 Vehicle Division

14 300 West 15th Street

15 Austin, TX 78701

16

17 BY: HAL F. MORRIS, ESQ.

18 RON DEL VENTO, ESQ.

19 (TELEPHONICALLY)

20

21

22

23

24

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

28

1

2 DAVIS POLK & WARDWELL

3 Attorneys for Interested Party Ford Motor Company

4 450 Lexington Avenue

5 New York, NY 10017

6

7 BY: BRIAN M. RESNICK, ESQ.

8 (TELEPHONICALLY)

9

10 DLA PIPER LLP U.S.

11 Attorneys for Creditor Hewlett Packard

12 550 South Hope Street

13 Suite 2300

14 Los Angeles, CA 90071

15

16 BY: KAROL K. DENNISTON, ESQ.

17 (TELEPHONICALLY)

18

19

20

21

22

23

24

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

29

1

2 FOLEY & LARDNER LLP

3 Attorneys for Toyota Motor Corp.

4 One Detroit Center

5 500 Woodward Avenue

6 Suite 2700

7 Detroit, MI 48226

8

9 BY: KATHERINE R. CALANES, ESQ.

10 JOHN A. SIMON, ESQ.

11 (TELEPHONICALLY)

12

13 FOLEY & LARDNER LLP

14 Attorneys for Toyota Motor Corp.

15 407 West Broadway

16 Suite 2100

17 San Diego, CA 92101

18

19 BY: MATTHEW J. RIOPELLE, ESQ.

20 (TELEPHONICALLY)

21

22

23

24

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

30

1

2 FREEBORN & PETERS LLP

3 Attorneys for Trico Products & PGW LLC

4 311 South Wacker Drive

5 Suite 3000

6 Chicago, IL 620606

7

8 BY: THOMAS R. FAWKES, ESQ.

9 (TELEPHONICALLY)

10

11 FROST BROWN TODD LLC

12 Lexington Financial Center

13 250 West Main

14 Suite 2800

15 Lexington, KY 40507

16

17 BY: ROBERT V. SARTIN, ESQ.

18 (TELEPHONICALLY)

19

20

21

22

23

24

25

31

1

2 FULBRIGHT & JAWORSKI L.L.P

3 Attorneys for Bell Atlantic

4 2200 Ross Avenue

5 Suite 2800

6 Dallas, TX 75201

7

8 BY: ELIZABETH N. BOYDSTON, ESQ.

9 (TELEPHONICALLY)

10

11

12 GOULSTON & STORRS P.C.

13 Attorneys for Creditor 767 Fifth Partners, LLC

14 400 Atlantic Avenue

15 Boston, MA 02110

16

17 BY: DOUGLAS B. ROSNER, ESQ.

18 (TELEPHONICALLY)

19

20

21

22

23

24

25

32

1

2 HANGLEY ARONCHICK SEGAL & PUDLIN

3 Attorneys for NCR Corporation

4 One Logan Square

5 18th & Cherry Streets

6 27th Floor

7 Philadelphia, PA 19103

8

9 BY: MATTHEW A. HAMERMESH, ESQ.

10 (TELEPHONICALLY)

11

12 KEMP KLEIN LAW FIRM

13 Attorneys for Custom Automotive Services, Inc.

14 201 West Big Beaver Road

15 Suite 600

16 Troy, MI 48084

17

18 BY: GLORIA M. CHON, ESQ.

19 (TELEPHONICALLY)

20

21

22

23

24

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

33

1

2 MASTROMARCO FIRM

3 Attorneys for Gerald Haynor, Interested Party

4 1024 North Michigan Avenue

5 Saginaw, MI 48602

6

7 BY: VICTOR MASTROMARCO, ESQ.

8 (TELEPHONICALLY)

9

10 McDONALD HOPKINS CO., LPA

11 Attorneys for Sweglok Company

12 39533 Woodward Avenue

13 Bloomfield Hills, MI 48304

14

15 BY: JAYSON B. RUFF, ESQ.

16 (TELEPHONICALLY)

17

18 MCNAMEE, LOCHNER, TITUS & WILLIAMS, PC

19 Attorneys for The Saint Regis Mohawk Tribe

20 677 Broadway

21 Albany, NY 12201

22

23 BY: JACOB F. LAMME, ESQ.

24 (TELEPHONICALLY)

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

1

2 MILLER, CANFIELD, PADOCK AND STONE, P.L.C.

3 Attorneys for Creditor Ford Motor Company

4 150 West Jefferson

5 Suite 2500

6 Detroit, MI 48226

7

8 BY: MARC N. SWANSON, ESQ.

9 (TELEPHONICALLY)

10

11 MORRIS JAMES LLP

12 Attorneys for Monster Worldwide

13 500 Delaware Avenue

14 Suite 1500

15 Wilmington, DE 19801

16

17 BY: CARL N. KUNZ, III, ESQ.

18 (TELEPHONICALLY)

19

20

21

22

23

24

25

35

1

2 OFFICE OF SANTA CLARA COUNTY COUNSEL

3 Attorneys for County of Santa Clara Tax Collector

4 70 West Hedding Street

5 9th Floor, East Wing

6 San Jose, CA 95110

7

8 BY: NEYSA A. FIGOR, ESQ.

9 (TELEPHONICALLY)

10

11 OHIO ATTORNEY GENERAL'S OFFICE

12 Attorneys for State of Ohio

13 State Office Tower

14 30 East Broad Street

15 17th Floor

16 Columbus, OH 43215

17

18 BY: LUCAS C. WARD, ESQ.

19 (TELEPHONICALLY)

20

21

22

23

24

25

36

1

2 PEPPER HAMILTON LLP

3 Attorneys for Creditor SKF USA Inc.

4 400 Berwyn Park

5 899 Cassatt Road

6 Berwyn, PA 19312

7

8 BY: HENRY J. JAFFE, ESQ.

9 (TELEPHONICALLY)

10

11 PERDUE, BRANDON, FIELDER, COLLINS & MOTT LLP

12 Attorneys for Arlington ISD et al.

13 4025 South Woodland Park Boulevard

14 Suite 300

15 Arlington, TX 76013

16

17 BY: ELIZABETH BANDA, ESQ.

18 (TELEPHONICALLY)

19

20

21

22

23

24

25

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

1

2 ROTH & DEMPSEY P.C.

3 Attorneys for Burton Taft

4 436 Jefferson Avenue

5 Scranton, PA 18510

6

7 BY: MICHAEL G. GALLACHER, ESQ.

8 (TELEPHONICALLY)

9

10 SCHIFF HARDIN LLP

11 Attorneys for Columbia Gas of Ohio; Columbia Gas of

12 Virginia

13 233 South Wacker Drive

14 Suite 6600

15 Chicago, IL 60606

16

17 BY: JASON TORF, ESQ.

18 (TELEPHONICALLY)

19

20

21

22

23

24

25

1

2 SINGER & LEVICK, P.C.

3 Attorneys for ACS Affiliated Computers Services, Inc.

4 16200 Addison Road

5 Suite 140

6 Addison, TX 75001

7

8 BY: LARRY A. LEVICK, ESQ.

9 (TELEPHONICALLY)

10

11 WOLFSON BOLTON PLLC

12 Attorneys for Guardian Industries

13 3150 Livernois

14 Suite 275

15 Troy, MI 48084

16

17 BY: SCOTT A. WOLFSON, ESQ.

18 (TELEPHONICALLY)

19

20

21

22

23

24

25

1 THE COURT: I understand that I don't always speak
2 with perfect clarity. And no offense intended. But certainly
3 I want to deal with it, Ms. Wickouski.

4 MS. WICKOUSKI: Understood, Your Honor. Thank you.

5 THE COURT: Thank you. Okay. Do I have any other
6 substantive objections that are actually being argued that I
7 haven't heard yet? Mr. Schulman? Mr. Mayer?

8 MR. MAYER: Yes, Your Honor. If I may. Well, this -

9 -

10 THE COURT: Oh, another asbestos objection.

11 MR. REINSEL: Your Honor, Ron Reinsel on behalf of
12 Mark Buttita. I will try not to rehash anything Mr. Esserman
13 said or anything the very eloquent Mr. Jakubowski said. I want
14 to make just a couple of points and a clarification.

15 We have objected on a number of grounds, including
16 sub rosa plan, and the extent to which the requested sale
17 extends past the bounds of 363, specifically to claims, and most
18 importantly to future claims; that they are not interests in
19 property, and a certainly that future claim that has not come
20 into existence, has not arisen, goes so far beyond the pale of
21 an "interest in property" even if that is permitted. But I
22 want to concentrate on just a couple of points that distinguish
23 this case both from Chrysler and TWA, and also the White Motor
24 case that the debtors have relied on.

25 Contrary to Chrysler, Judge, and contrary to TWA,

1 this isn't a sale of assets that will meld assets into an
2 existing business. It is, instead, a standalone, complete
3 continuation of the exact same business enterprise. It is the
4 same products; it is the same employees; it's the same
5 management; it's the same marketing; it's the same logos. And
6 to accomplish what the debtor and Treasury has indicated they
7 want is "a seamless transition in the eyes of consumers." In
8 other words, New GM is just the same Old GM.

9 Yet, they want to escape the strictures of potential
10 continuation of liability as a successor of existing GM. They
11 look -- in the order that they're going to present to you,
12 while we haven't seen any final order yet, but we've seen what
13 they're looking for. And that is complete, but not just an
14 approval of a sale, but protection from specific factual
15 findings that may lead subsequent state courts to find that
16 there is continuation of liability under relevant state law;
17 despite the fact that many of those findings fly specifically
18 in the face of the evidence that we heard here, that could well
19 lead a state court to find such continuing liability.

20 Secondly, Judge, as you noted yesterday also in that
21 order, they're looking for an injunction. And you asked if
22 that injunction didn't kind of sound like a duck -- like the
23 injunction under 524(g). Well, Your Honor, it not only sounds
24 like a duck, it quacks like a duck, it walks like a duck, it
25 flies like a duck, and leaves feathers behind it like a duck.

1 It is completely the injunction as to future asbestos liability
2 that was provided for in Section 524(g).

3 Now, aside from the discriminatory treatment that's
4 provided here, they're trying to get protections under the code
5 without complying with the code's requirements. Now, Mr.
6 Miller pointed out that this is not an asbestos case. This is
7 not an asbestos-driven case, and that they're not seeking
8 relief under -- they're not including Section 524 treatment
9 here. All of that is absolutely true. The point is, however,
10 they're trying to get equivalent relief without complying with
11 the statutory requirements. And that goes both to the ability
12 to even give the relief, as well as the effective notice and
13 due process requirements that are required in order to get that
14 relief.

15 Let's distinguish some of those cases -- the other
16 cases. White Motors, it acknowledges, found that 363 did not
17 provide a basis to sell assets free and clear of claims. And
18 it went on to find that in order to do that, however -- this is
19 certainly beyond the express statutory language -- the statue
20 says "free and clear of interest in that property."

21 Now, whether or not claims become interest in
22 property, cited in other cases. But it found that 363 didn't
23 provide that basis. We had to look to Section 105 of the code,
24 the Court's general equitable powers to make things happen --

25 THE COURT: Yes, I know. We went through that with

1 Mr. Jakubowski.

2 MR. REINSEL: All right. But here's where I wanted
3 to get with that, Judge. White Motors was decided in 1987. In
4 1994 Congress enacted Section 524(g). Section 524(g) provides
5 a comprehensive design by Congress for dealing with asbestos
6 claims specifically, both present, and more importantly, future
7 claims; looking at the unique situation that that kind of
8 injury entails, particularly that it's an insidious product, it
9 went into commerce, and it has a very long latency period, such
10 that from exposure to actually manifesting a disease, finding
11 out that you have a claim, is a matter of decades. Ten,
12 twenty, thirty, forty years. Such that those folks who will
13 develop disease, who will become claimants, are not presently
14 claimants. In fact, the nature of their potential future
15 illness is specifically excluded from the definition of a claim
16 under the Bankruptcy Code. And in fact, under 524(g) it's
17 referred to a demand.

18 The problem of recognizing of how to give adequate
19 due process to those future potential claimants, those demand
20 holders, and how to give adequate notice, because you can't
21 give them notice -- in fact, we asked Mr. Henderson -- one of
22 the few questions I asked here, was, you gave broad notice of
23 these proceedings in order to give everyone notice of their
24 rights were at issue and could be affected. But he recognized
25 that GM has 650 million dollars-worth of projected asbestos

1 liability going out over a period of at least ten years, and
2 that many of those claimants, many of those potential
3 claimants, don't presently have a disease, don't know they have
4 a claim, and that whatever publication notice was given to
5 them, wouldn't have reached them and would have done them no
6 good whatsoever.

7 In Chrysler, they kind of gave that notice issue
8 fairly short shrift. There's one -- they deal with it in about
9 two sentences on page 111 of that decision, simply holding that
10 "With respect to potential future tort claimants, their
11 objections are overruled, as those issues have been discussed.
12 Notice of the proposed sale was published in newspapers in very
13 wide circulation, and the Supreme Court has held that
14 publication of notice in such newspapers provide sufficient
15 notice to claimants 'whose interests or whereabouts could not
16 be with due diligence, ascertained'", citing to the Supreme
17 Court's decision in *Mullane v. Central Hanover Bank*.

18 *Mullane* was a trust fund case. You either held funds
19 in a trust or you didn't. This --- we're not presented here
20 with a question of we can't ascertain the location of folks; we
21 can't, with reasonable due diligence send them a specific
22 notice, such that the publication even becomes sufficient.
23 We're dealing with individual whose claim doesn't yet exist,
24 who don't know that they have rights that may be affected, and
25 won't know that for years. That's why Congress, in Section

100

1 524(g), provided mechanisms to provide due process to those
2 folks, by the creation of a specific representative in the
3 court.

4 Last week you were asked to appoint someone -- a
5 futures representative to look out after the interests of those
6 future folks. You declined. You said we may look at that
7 later. But the point is, there is no one here looking out for
8 their interests today. They didn't get notice of this
9 proceeding. You can't give effective notice of this
10 proceeding. And no one is representing them here. I want to
11 be clear, I am representing a single current asbestos claimant.
12 Mr. Esserman was representing single current asbestos
13 claimants. We're not advocating -- other than saying they're
14 not here, Judge, we're not here in a position where we can
15 reasonably represent their interests in this case.

16 But let me be clear about the impact of 524(g) here.
17 As we said, this is not an asbestos-driven case. There is no
18 requirement that the debtor use 524(g) here. However, the
19 point is, if they don't -- if they don't employ the processes
20 that Congress designed in that section of the code to provide
21 adequate notice, adequate due process to claimants, then you
22 don't get the protections that that section provides. You
23 don't get the injunction that they're looking for, at least as
24 to asbestos claimants. You don't get the removal of future
25 successor liability as to those asbestos claimants. It's a

101

1 question -- it's up to the debtor, and in this case, and the
2 buyer, to decide if they want to include those sorts of
3 relevant protections. If they don't -- protections for the
4 claimants and future claimants. However, if they don't the
5 point is, they take their chances, and you, Judge, can't give
6 them the same protections as that specific statute would under
7 the Court's general 105 equitable powers. That's all, Your
8 Honor. Thank you very much.

9 THE COURT: Thank you. Mr. Mayer?

10 MR. MAYER: Thank you, Your Honor.

11 (Pause)

12 MR. MAYER: Excuse me, Your Honor. I need thirty
13 seconds to decide -- to figure how much of what we talked about
14 last night can be put on the public record at this moment. Is
15 it possible to take a five --

16 THE COURT: How much time do you need?

17 MR. MAYER: -- take a short recess, perhaps?

18 THE COURT: Actually, since we've been going so long,
19 let's take a ten-minute recess.

20 MR. MAYER: Okay. Thank you, Your Honor.

21 THE COURT: See you back in ten minutes, folks.

22 (Recess from 10:47 a.m. until 11:10 a.m.)

23 MR. MAYER: Thank you, Your Honor. And good morning.
24 Again, Thomas Moers Mayer for Kramer Levin Naftalis & Frankel,
25 counsel to the official committee of unsecured creditors.

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

166

1 that's an issue to be determined, Your Honor, after the sale is
2 consummated.

3 THE COURT: Mr. Miller, there's no channeling order,
4 but there is an injunction requested. And the two lawyers who
5 were raising asbestos issues pointed out that if you did give
6 personal notice and applied it to every state in the United
7 States you wouldn't be able to do much with it because they
8 wouldn't know that they've contracted asbestos.

9 Now, I have an interesting twist here. Both of those
10 folks represent existing asbestos claimants who analytically in
11 the Jakubowski situation. But I also believe that this issue
12 was raised that hasn't been discussed in the Second Circuit
13 argument in the (indiscernible) appeal. To what extent would
14 it be proper or improper in Your view if words were added to
15 any approval order that said to the fullest extent
16 constitutional principal?

17 MR. MILLER: Just speaking for myself, Your Honor,
18 without consultation for client, I don't have problem with that
19 language. But I would, again, note, Your Honor, that Judge
20 Gonzalez dealt with the issue of notice and I do not recall the
21 colloquy between Judge Sack and Mr. Esserman, and I'm not sure
22 that colloquy related to injunctions or the ability to sue.
23 All I'm saying, Your Honor, there is going to be an estate.
24 And estate which we believe will have significant value.

25 Part of the claimants who will have rights against

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400